

**Bonneville Fish and Wildlife Program**  
**Quarterly Budget Status Report – October 1, 1998 through July 9, 1999**  
**Issues for Funding Reallocation**

Among the purposes of the quarterly review is the identification of within-year reallocations among projects of direct program funds. These issues are listed below for referral to the Columbia Basin Fish and Wildlife Authority and the Northwest Power Planning Council for review and recommendations. Project sponsors and Bonneville project managers can provide more detail to help assist CBFWA and the Council in reviewing these issues.

Table 1 summarizes the various budget placeholders and their current status.

**Table 1**

<b>Summary of Placeholder Balances (as of 7/15/99)</b>		
9507400	Anadromous Fish Unallocated Balance	\$2,470,705
9504800	Placeholder for Steelhead Biological Opinion	\$1,000,000
9601000	NMFS Hydro Biological Opinion	\$3,453,856
9508300	Placeholder for Contract Audits (NPPC)	\$50,000
9702100	Interest Fund Balance	\$651,548
9702100	Contingency/Inflation Reserve	\$2,593,000
9609600	Resident Fish Unallocated Balance	\$402,447
9780000	Wildlife Program Unallocated Balance	\$86,378

**Availability of Unallocated Interest on Unspent Funds:** The March quarterly review reported that more interest is available from unspent direct program balances than was budgeted at the start of the year. \$651,548 remains available to move to the placeholders for the anadromous fish, resident fish and wildlife placeholder accounts. That amount is in account 9702000 in the Program Coordination category. CBFWA's draft annual implementation work plan generally recommends carrying forward unallocated balances to the budget for FY 2000. Should the balance in the interest fund be moved to the placeholders in the meantime? If so, should it be on a 70/15/15 basis?

**Power Repayment for the Umatilla Basin Project.** Account 8902700 budgets for the power costs for pumping water for the Umatilla Basin Project. Bonneville is required to repay these costs by the Umatilla Basin Project Act. With the completion of Phase II of the Project, power costs have increased and the original budget for FY 1999 may not be sufficient. Bonneville's estimate of 1999's cost above budget is \$290,000. If this charges occurs, Bonneville must pay it as a non-discretionary expense and deduct the amount from the unallocated anadromous fish placeholder.

Bonneville's ability to manage these costs is limited because they depend on actual seasonal pumping operations attributable to fish flows. This is an issue that is appropriate for discussion in the project selection process, particularly because of related questions in the Independent Scientific Review Panel report.

**Umatilla Satellite Facility:** Last year Bonneville reported to CBFWA and Council staff that it expects increases in construction costs for the Umatilla Satellite facility costs. Account 9101400 had a start of year budget of \$1.8 million. The project schedule did not require reallocation of funds last year but does so now to take the project to completion. The contracting firm for the project estimates that an additional \$670,000 is necessary to complete the project this year.

**Yankee Fork Dredge Tailings Project:** CBFWA has a pending recommendation to use carry-forward funds from Project 9405000 to initiate work on a new FY 99 project *Restore Habitat Within Dredge Tailings on the Yankee Fork Salmon River*. Normally, reduced costs for project implementation would allow Bonneville to move the unneeded funds to the unallocated placeholder. In this case, CBFWA recommends that the Yankee Fork project be initiated as part of Project 9405000. This recommendation is pending before the Council's fish and wildlife committee.

**Power Source for Manchester Labs:** In May, the National Marine Fisheries Service asked the Council to recommend allocating \$132,250 to install back-up generators for to supply emergency power for pumps at the Manchester captive broodstock facility. The facility is funded mainly by Project 9606700. NMFS informed the Council that the facility is losing access to its current power supply from the U.S. Navy (which has back-up generators as part of its system) on October 1, 1999 and so needs to obtain new back-up generation before the end of the year. NMFS is seeking immediate action because it needs to complete its procurement deadline of August 15, 1999 to have a contractor install the generators by October 1, 1999.

**Hydrosite Database:** The Pacific Northwest Hydrosite Database must be moved to a Bonneville-hosted server and maintenance needs for Y2K addressed. Bonneville program support costs currently fund a portion of the maintenance of the database. Bonneville is obtaining an estimate for upgrading the database for Y2K compliance but anticipates that the additional costs could range between \$150,000 and \$200,000. These funds are not budgeted in the direct program budget and the question for regional discussion is the importance of maintaining the database for the fish and wildlife program.

**Teanaway Permitting Delays:** Project 9704900 funds the Teanaway River Instream Flow Restoration project. Project implementation is delayed pending completion of review by the National Marine Fisheries Service under Endangered Species Act requirements. A second issue is that the Bureau of Reclamation's cost estimate for construction (two pump sites and pumping) has grown. While estimates are still being refined, the project could need as much as \$450,000 over the \$3,088,000 reserved for the project through FY 1999. Bonneville will provide an updated estimate as soon as possible.

**Potential Reduction in PIT tag costs:** The PIT tag program is seeing a reduction in the price of individual tags. For Fiscal Year 1999, the cost of the first 500,000 tags was \$2.90 per tag. The cost of additional tags was \$2.75 per tag and about 150,000 more

were ordered. In addition, there were several projects that ended up ordering fewer tags than they had planned. Considering these two factors, this means that more money was transferred from individual projects to the PIT Tag Purchase contract than will be spent. This could be as much as \$25,000 and will be returned to the anadromous fish placeholder account when the accounting is complete. The reduction in per-tag costs is an issue for estimating Fiscal Year 2000 project budget needs as well.

**Overhead Support Unallocated Balance:** In March Bonneville reported to the Quarterly Review that it would tentatively retain savings in FY 1998 internal program support costs for several specific anticipated needs. At that time the balance of FY 1998 program support carry-forward was \$1,122,653. Since that report, Bonneville allocated \$145,787 to internal support for the federal caucus unified plan development. At the Council's request, Bonneville funded the regional framework with \$827,946 from the direct program. Another \$450,000 for the framework was funded from Bonneville's Power Business Line. Bonneville supplied the direct program funding with the expectation that \$300,000 would be reimbursed by contributions from the Corps of Engineers and the National Marine Fisheries Service. Bonneville continues to plan use of the balance of the unallocated placeholder to implement recommendations from the Moss-Adams Advisory Service's review of direct program management systems and accounting.

**Table 2.**

<b>Accounting for FY '98 Unallocated Balance Carry-forward</b>	
<b>Original Balance</b>	<b>1,374,225</b>
Transfer to Anadromous Placeholder on 2/12/99	-251,572
<b>Balance at March Quarterly Review</b>	<b>1,122,653</b>
Subsequent actions:	
Hatchery and Harvest Analysis for Federal Caucus	-135,787
Support for Federal Caucus	-10,400
Funding for Regional Framework	-827,946
<b>Balance at July Quarterly Review</b>	<b>148,520</b>
Assumptions for reimbursement for Framework	
From Corps	270,000
From NMFS	30,000
<b>Balance if Corps and NMFS reimburse</b>	<b>448,520</b>